

is seeking and which his supporters in the Senate are trying to carve out room in the budget resolution to accommodate, shows that almost half of the benefits of the proposed tax cut will go to the top 1 percent of the population. Almost three-quarters of it goes to the top 5 percent of the population. The proposed tax cut is very heavily skewed toward those at the very top of the income and wealth scale in this country; this at the very time when the Nation is being rallied, as it should be, to support our men and women in the Armed Forces. This at the very time when we are talking about sacrifice. And it is appropriate that we should talk about sacrifice at a time like this because one cannot follow the events taking place now in Iraq without some deep appreciation of the sacrifice our fighting men and women are making and the risks they are taking every minute.

What sacrifice are those who are most favored in our society in terms of their economic position making at this critical juncture in our history? Not only are they not making a sacrifice, they are getting a very large tax cut skewed to their benefit which, in turn, will put our economy in a more difficult position into the future. It will build up deficits and debt which the fighting men and women, when they return home, will have to pay off well into the future. They are being called upon to make a double sacrifice, now and in the future.

What is the sacrifice here at home that the beneficiaries of this tax cut will be making? Winston Churchill, at the beginning of World War II, when he became Prime Minister, told his nation, "I have nothing to offer but blood, toil, tears, and sweat."

Our young men and women positioned in the Middle East are called upon to sacrifice even as we debate this budget resolution. There will be sweat. There will be tears. There will be toil. And there will be blood. What sacrifice will be made by those who are the most well off in our society? At a time when we face these critical challenges, should they not be making a contribution instead of reaping a large economic benefit?

Mr. President, I urge the defeat of this budget resolution.

The ACTING PRESIDENT pro tempore. The Senator from Utah is recognized.

#### DIPLOMACY

Mr. BENNETT. Mr. President, we have heard on this floor and in the popular media that the main reason we are at war is because "diplomacy has failed," and there are those who have attacked the President for his "failure" in diplomacy. We also hear that polls are running heavily against the war.

My mind goes back to a somewhat similar situation in Great Britain when Neville Chamberlain returned from

Munich and said, "We have established peace in our time." He referred to the Czechs, whose country he gave to Adolf Hitler in this fashion:

Why should we consider people who live in a land far away and with whom we have little or nothing to do?

Winston Churchill opposed the treaty that Neville Chamberlain brought home from Munich. He offered stirring rhetoric, saying, "We have suffered a defeat of the first magnitude." That stirred my soul as a young schoolchild reading about it. What I didn't realize until I became an adult is that Winston Churchill got only three votes, as Parliament overwhelmingly endorsed Chamberlain. And the popular polls, as I say, made Chamberlain the most popular politician in Great Britain, and maybe in all of Europe. Of course, within 2 years, we found that Winston Churchill was right and Chamberlain went off to historical disgrace.

The Munich example is not exactly analogous to this situation. No historical situation is exactly analogous to a current circumstance, but it is one we should keep in mind as we hear rhetoric saying that diplomacy has failed. Diplomacy in Munich is what failed and the war followed.

The Senator from North Carolina has a resolution she wishes to offer with respect to the current British Prime Minister. I yield to her the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mrs. DOLE. I thank the Chair.

(The remarks of Mrs. DOLE pertaining to the introduction of S. 709 are located in today's RECORD under "Statements on Bills and Joint Resolutions.")

Mrs. DOLE. I thank the Chair. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. The Senator from North Dakota.

#### THE BUDGET

Mr. CONRAD. Mr. President, I thank the Chair for this opportunity this morning to bring to my colleagues' attention where we stand with respect to the budget resolution that we will be completing today.

A very important report came out late yesterday from the Congressional Budget Office, which is nonpartisan, which is in charge of estimating the effects of what we do here. I might add, while the CBO is nonpartisan, because the Republicans control the House and the Senate, they were able to choose the new CBO Director. One of the tests they had was the use of so-called dynamic scoring. The gentleman who now heads CBO is committed to dynamic scoring, and he has now released an analysis of the budget before us based on dynamic scoring. His conclusion is exactly what I have been reporting to my colleagues day after day on the floor: Tax cuts will make the deficit soar.

I hope we can put this old canard to rest once and for all that somehow you can tax cut your way to prosperity when at the same time you are increasing spending. When you start from a base of record budget deficits, there can only be one result. When you start with record budget deficits and then cut your revenue stream, as the President has proposed, by nearly \$2 trillion and increase spending, the deficits and the debt are going to get bigger. The Congressional Budget Office is telling us that is exactly what we face.

There was another article in the Washington Post on this same story. They point out:

The CBO report also said the president's tax and spending proposals "imply a deficit in every year over the next decade," thus adding to the national debt and to the annual interest payments on that debt beyond 2013.

"For some time, that added need could be met by running higher deficits. However, the federal government could not follow such an approach indefinitely. At some point in the future under the president's proposals, either taxes would have to be higher than they otherwise would have been, or spending would have to be lower," the report said.

It is time we sober up around here. I do not know what happened to our friends on the other side who used to be fiscal conservatives, who used to believe in balanced budgets and now endorse tax cuts that are going to plunge us into deep deficit and debt.

This is the analysis again from the Congressional Budget Office of what the plan before us will do. This is the President's budget plan: a deficit next year of \$512 billion. That does not count the war costs. Add in the \$75 billion the President wants for the war, and the deficit next year will be \$587 billion. Does anybody have sticker shock around here yet? That is getting close to being twice as big as the previous record deficit.

The analysis shows we will not be out of deficit any year for the next 10 years. But that is not the most sobering effect. None of the deficits will be less than \$400 billion.

Mr. SARBANES. Mr. President, will the Senator yield for one quick question?

Mr. CONRAD. I will.

Mr. SARBANES. I want to be very clear. The Senator is saying the budget deficit for the next year will be close to \$600 billion, more than double the highest deficit we have ever run previously; is that correct?

Mr. CONRAD. That is exactly what we are being told by the Congressional Budget Office. We now face, if we adopt the President's plans for massive tax cuts on top of the spending increases for defense and homeland security, which we all endorse—we endorse the increased funds for defense and homeland security—that we are going to have budget deficits as far as the eye can see, and they are not going to be small deficits. They are going to be massive deficits.

This chart shows that, in fact, we are in the sweet spot now. This is not my